



**Phillips Lytle LLP**

**Via Certified Mail  
Return Receipt Requested**

December 18, 2003

Sarah P. Flanagan  
Office of Regional Counsel  
U.S. Environmental Protection Agency  
Region II  
290 Broadway, 17th Floor  
New York, NY 10007-1866

Re: Notice of Potential Liability and Demand for Past Costs, Bayonne Barrel and Drum  
Superfund Site

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Dear Ms. Flanagan:

We represent Reichhold Inc. and Cellomer Corp. ("Reichhold/Cellomer") with respect to the above-referenced matter. Reichhold/Cellomer is in receipt of George Pavlou's November 14, 2003 letter which (i) states that the Agency has determined that Reichhold/Cellomer is a PRP with respect to the Bayonne Barrel and Drum Site ("Site"); and (ii) demanding that Reichhold/Cellomer reimburse the Agency for its claimed past costs related to the Site.

Please be advised that Reichhold/Cellomer denies any liability pursuant to 42 U.S.C. § 9607(a)(3) with respect to the Site. Further, Reichhold/Cellomer is unaware of any information establishing a credible nexus between Reichhold/Cellomer and environmental conditions at the Site.

As to the demand for reimbursement of past costs, please be advised that Reichhold/Cellomer is a party to an agreement with duPont and others (the "Group") whereby Reichhold/Cellomer is indemnified for certain costs related to the Site, including but not limited to the Agency's past costs. It is Reichhold/Cellomer's understand that the Group will be reimbursing the Agency for some or all of its claimed past costs.

ATTORNEYS AT LAW

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Sarah P. Flanagan  
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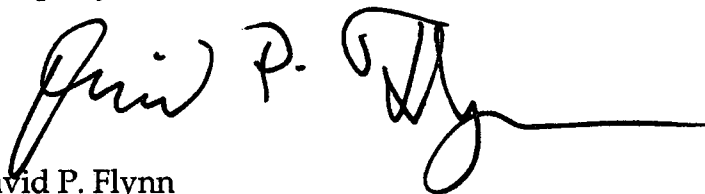
December 18, 2003

We trust this letter is responsive to your request. If you have any questions, please contact me.

Very truly yours,

Phillips Lytle LLP

By



David P. Flynn

DPF/pjs

cc: Joseph Cosentino, OSC  
William H. Hyatt, Esq.

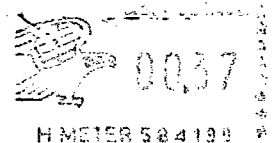
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